

C/CAG MEMORANDUM

Date: December 21, 2010

To: C/CAG Board

From: Tom Kasten, C/CAG Board Chair

Subject: Recruiting for the C/CAG Investment Advisory Committee

BACKGROUND:

The C/CAG Board approved the Investment Policy in May. Attached is a copy of the policy. A key revision to the policy was the creation of a C/CAG Investment Advisory Committee with four public members with a financial background. We need the Board's assistance in identifying qualified public member candidates with the necessary qualifications. The following is an excerpt from the Investment Policy on the C/CAG Investment Advisory Committee.

C/CAG INVESTMENT ADVISORY COMMITTEE

C/CAG will establish an Investment Advisory Committee that will analyze the portfolio quarterly against the policy objectives and make recommendations as necessary for changes to the portfolio. The Committee should include the C/CAG Chair or designee, and four public members with a financial background. Members of the Committee shall have experience in business, finance and/or investing. Attendance at 4-6 meetings per year as needed. Recommendations from the Committee should be unanimous. Quarterly Reports on the portfolio performance and the make-up of the County Pool and the Local Agency Investment Fund (LAIF) will be provided to the Committee. The Committee will consider input from the C/CAG Fiscal Agent and C/CAG staff in making their recommendations to the C/CAG Board.

The Investment Advisory Committee shall be appointed by the Board of Directors of C/CAG. The length of term will be 3 years, renewable at the Board's discretion but no more than 2 terms or 6 years.

All committee members will be required to file a Form 700 and sign a conflict of interest disclosure statement.

The objectives for this Committee are to:

- Understand the role of the investments in the context of C/CAG's short and long term use of funds and its liquidity needs.
- Review and recommend modifications or amendments to the Investment Policy to meet C/CAG's needs.

- Formulate an asset allocation policy to balance liquidity requirements, safety and returns at an acceptable level of risk.
- Provide direction to the Finance Committee and the Board of Directors on where and in what proportion the C/CAG funds are to be invested. Note: The primary choices for investment are the San Mateo County Pool, LAIF and CD and Money market funds to ensure safety of principal while still meeting liquidity needs.
- Review and understand the underlying investments in each pool.
- Oversee and review the portfolio performance to ensure it is being managed in a fiscally prudent manner appropriate to meet C/CAG's stated objectives and comply with the stated Investment Policy.

RECRUITMENT:

Given the highly specialized nature of the public members, the C/CAG Board members need to identify potential candidates and recruit them to fill these positions. It is requested that the Board identify candidates and provide C/CAG staff with a copy of their resume which highlights their financial skills, experience and education background. The final selection will be made by the C/CAG Board. Attached is an overview of the requirements of the position.

Please provide the candidate **resumes to C/CAG staff by January 28, 2011** such that selection can be placed on the February C/CAG agenda. The resumes should be sent to Richard Napier, C/CAG - Executive Director, at 555 County Center Fifth Floor Redwood City, CA 94063. It can also be faxed to 650 361-8227 or e-mailed to rnapi@co.sanmateo.ca.us. Your assistance is appreciated.

**C/CAG INVESTMENT ADVISORY COMMITTEE
PUBLIC MEMBER QUALIFICATIONS**

Organization:	City/ County Association of Governments of San Mateo County (C/CAG)
Contact:	Richard Napier - Executive Director 650 599-1420
Committee:	C/CAG Investment Advisory Committee
Composition:	Four Public Members and C/CAG Chair or designee.
Number of Meetings:	Four to six per year
Qualifications:	Members of the Committee shall have experience in business, finance and/or investing. The four public members should have technical background and expertise in financial investment instruments. These investments include but are not limited to: Local Agency Investment Fund, San Mateo County Investment Pool, US Treasury Bonds/Notes/Bills, US Government Agency Obligations, Bankers' Acceptances, Commercial Paper, Negotiable Certificates of Deposit, Time Certificates of Deposit, Medium Term Corporate Notes, derivatives and Reverse Repurchase Agreements. Each member should have the knowledge to be able to: 1- Review and understand the underlying investments in the San Mateo County Pool and the State Pool (LAIF) to assess relative risks and to make a recommendation on where to invest C/CAG funds with a focus on financial preservation. 2- Be able to formulate an asset allocation policy to balance liquidity requirements, safety and returns at an acceptable level of risk.
Function:	The objective is for this Committee to provide direction on where and in what proportion the C/CAG funds are to be invested. This committee will look at the underlying investments in each pool and make a recommendation on what portion is invested in each category.
Filing:	Must file a Form 700